

Independent Auditor's Report

**To the Members of
INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED**

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED ("the Company")** which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flow and the statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at March 31, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the Balance Sheet, the Statement of Profit and Loss (including other comprehensive income) and the statement of cash flow and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with relevant rule issued there under.



R.S.SANGHAI & ASSOCIATES
Chartered Accountants

- e) on the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) with respect to the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**"; and
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements as referred to in Note 3.31 to the Ind AS financial statements;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **R.S. SANGHAI & ASSOCIATES**

Chartered Accountants

Firm's registration number: 109094W


R.S. SANGHAI

Partner

M. No. : 036931

Mumbai : 16th May, 2018



Re: INDICHEMIE HEALTH SPECIALITIES PRIVATE LIMITED

"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the Ind AS financial statements of the Company for the year ended March 31, 2018, we report that:

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets;
- (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- (c) According to the information and explanation given to us and on the basis of examination of the records of the Company, the title deeds of immovable properties are held in the name of the company.
- ii) (a) The management has conducted the physical verification of inventory at reasonable intervals.
- (b) The discrepancies noticed on physical verification of the inventory as compared to book records which has been properly dealt with in the books of account were not material.
- iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of para 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- v) The Company has not accepted any deposit from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- vi) We have broadly reviewed the cost records maintained by the company as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that prima facie, the prescribed records are maintained by the Company.



- vii) (a) According to information and explanations given to us and on the basis of our examination of the records of the Company amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees State Insurance, Goods & Service Tax, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2018 for a period of more than six months from the date on which they become payable.
- (b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of customs duty, goods & service tax & excise duty which have not been deposited on account of any dispute. The particulars of dues of income tax, sales-tax and service tax as at 31st March, 2018 which have not been deposited on account of dispute, are as follows-

Name of the Statute	Nature of Dues	Amount Rupees (In Lakhs)	Period to which the amount relates	Forum where the Dispute is pending
Daman and Diu Value added Tax Regulation, 2005	Sales Tax and Interest	9.34	2008-09	Assistant Commissioner VAT
Daman and Diu Value added Tax Regulation, 2005	Sales Tax and Interest	26.86	2010-11	Assistant Commissioner VAT
Finance Act, 1994	Service Tax	3.68	2013-14	Customs, Excise and Service Tax appellate Tribunal, Ahmedabad
Central Excise Act, 1944	Excise duty	27.53	2011-12 to 2013-14	The Commissioner (Appeals) CGST & Central Excise, Siliguri.
Income Tax Act 1961	Income Tax	0.30	2013-14	Assistant Commissioner of Income Tax
Income Tax Act 1961	Income Tax	21.24	2014-15	Assistant Commissioner of Income Tax
TOTAL		88.95		

- viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowing to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term loans. Accordingly, the provisions of para 3(ix) of the Order are not applicable to the Company and hence not commented upon.
- x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- xi) According to the information and explanation given to us and based on our examination of the record of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii) In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Therefore, the provisions of para 3 (xii) of the Order are not applicable to the Company.
- xiii) According to the information and explanation given to us and based on our examination of the record of the Company, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 which were applicable and details of such transaction have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of para 3(xiv) of the Order are not applicable to the Company and hence not commented upon.
- xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected them. Accordingly, the provisions of para 3(xv) of the Order are not applicable to the Company and hence not commented upon.



R.S.SANGHAI & ASSOCIATES
Chartered Accountants

xvi) The company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

For **R.S. SANGHAI & ASSOCIATES**
Chartered Accountants
Firm's registration number: 109094W




R.S. SANGHAI

Partner

M. No.: 036931

Mumbai : 16th May, 2018

Re: INDICHEMIE HEALTH SPECIALITIES PRIVATE LIMITED

"Annexure B" to the Independent Auditor's Report

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **INDICHEMIE HEALTH SPECIALITIES PRIVATE LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **R.S. SANGHAI & ASSOCIATES**
Chartered Accountants

Firm's registration number: 109094W


R.S. SANGHAI

Partner

M. No.: 036931

Mumbai : 16th May, 2018



INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED
BALANCE SHEET AS ON 31st MARCH, 2018

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2018 (₹)	As at 31st March, 2017 (₹)
I. ASSETS			
1 Non-Current Assets			
(a) Property, plant and equipment	3.1	7,314.93	6,724.11
(b) Capital work in progress	3.1	1,331.56	835.97
(c) Financial assets			
(i) Investments	3.2	11.15	11.15
(ii) Other non-current financial assets	3.3	5,696.18	7,201.17
(d) Other non-current assets	3.4	42.22	62.69
Total Non-Current Assets		14,396.04	14,835.09
2 Current Assets			
(a) Inventories	3.5	4,565.51	3,879.30
(b) Financial assets			
(i) Investments	3.6	168.51	144.57
(ii) Trade receivables	3.7	7,391.46	4,327.16
(iii) Cash and cash equivalents	3.8	63.57	87.28
(iv) Bank balances other than (iii) above	3.9	5,608.23	4,960.15
(v) Loans	3.10	37.27	41.08
(vi) Other current financial assets	3.11	285.71	628.92
(c) Other current assets	3.12	1,263.45	623.72
Total Current Assets		19,383.71	14,692.18
TOTAL ASSETS		33,779.75	29,527.27
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	3.13	25.00	25.00
(b) Other equity (Refer statement of changes in equity)	3.13	21,083.28	18,866.61
Total Equity		21,108.28	18,891.61
2 Liabilities			
2a Non-Current Liabilities			
(a) Financial liabilities			
(i) Other non-current financial liabilities	3.14	56.50	63.50
(b) Provisions	3.15	1,529.85	1,289.15
(c) Deferred tax liabilities	3.16D	132.62	73.74
(d) Other non-current liabilities	3.17	24.43	31.57
Total Non-Current Liabilities		1,743.40	1,457.96
2b Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	3.18	3,310.44	3,626.51
(ii) Trade payables	3.19	4,613.27	3,259.02
(iii) Other financial liability	3.20	1,901.15	1,797.91
(b) Other current liabilities	3.21	181.84	113.11
(c) Provisions	3.22	289.87	287.04
(d) Current tax liabilities (Net)	3.23	631.50	94.11
Total Current Liabilities		10,928.07	9,177.70
Total Liabilities		12,671.47	10,635.66
TOTAL EQUITY AND LIABILITIES		33,779.75	29,527.27

Significant Accounting Policies

Critical accounting judgments and key sources of estimation uncertainty

Notes to the Financial Statements

The accompanying notes are an integral part of these financial statements

As per our Report attached of even date,

For R.S.SANGHAI & ASSOCIATES

Chartered Accountants

FRN-109094W

R. S. Sanghai

Partner

M.No.036931

Place: Mumbai

Date: 16th May, 2018



For and on behalf of the Board of Directors of
INDCHEMIE HEALTH SPECIALITIES PVT. LTD.
CIN: U24230MH1986PTC038692

M. K. Singh
Managing Director
DIN : 000881412

Anand R.
Executive Director
DIN : 008106635

INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2018

(₹ in Lakhs)

Particulars	Note No.	For the Year ended 31st March, 2018 (₹)	For the Year ended 31st March, 2017 (₹)
1 Income			
(a) Revenue from operations	3.24	35,555.68	34,993.14
(b) Other income	3.25	885.35	1,350.72
Total Income		36,441.03	36,343.86
2 Expenses			
(a) Cost of materials consumed	3.26	11,178.01	11,389.57
(b) Purchases of stock-in-trade		56.61	195.25
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	3.27	(101.86)	(305.59)
(d) Employee benefits expense	3.28	8,864.85	7,182.37
(e) Finance costs	3.29	463.94	829.81
(f) Depreciation and amortisation expense	3.1	667.57	664.86
(g) Other expenses	3.30	11,284.00	13,285.69
Total Expenses		32,413.12	33,241.96
3 Profit Before Tax (1) - (2)		4,027.91	3,101.90
4 Tax Expenses	3.16A		
(a) Current tax		1,460.00	685.00
(b) Adjustment of tax relating to previous year		24.45	27.05
(c) Deferred tax		9.23	0.07
(d) MAT credit entitlement		-	(58.92)
Total Tax Expenses		1,493.68	653.20
5 Profit for the Period (3) - (4)		2,534.23	2,448.70
6 Other Comprehensive Income			
(a) Items that will not be reclassified to profit or loss			
(i) Remeasurements of defined benefit plans		(25.93)	(39.54)
(ii) Tax on Remeasurements of defined benefit plans		9.26	13.68
Total of Other Comprehensive Income for the Period, Net of Tax		(16.67)	(25.86)
7 Total Comprehensive Income for the Period (5) + (6)		2,517.56	2,422.84
8 Basic and Diluted Earnings per Share	3.34	1,013.69	979.48

Significant Accounting Policies

Critical accounting judgments and key sources of estimation uncertainty

Notes to the Financial Statements

The accompanying notes are an integral part of these financial statements

As per our Report attached of even date,

For R.S.SANGHAI & ASSOCIATES

Chartered Accountants

FRN-109094W

R. S. Sanghai
Partner
M.No.036931
Place: Mumbai
Date: 16th May, 2018



For and on behalf of the Board of Directors of
INDCHEMIE HEALTH SPECIALITIES PVT. LTD.
CIN: U24230MH1986PTC039692

M. K. Singh
Managing Director
DIN : 000881412

Anand R.
Executive Director
DIN : 008106635

INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.
STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31st MARCH, 2018

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2018 (₹)	For the year ended 31st March, 2017 (₹)
A. Cash Flow from Operating Activities:		
Profit Before Tax and Other Comprehensive Income	4,001.98	3,062.35
<u>Adjustment to reconcile profit before tax to net cash flow</u>		
Depreciation and amortisation	667.57	664.86
Provision for employee benefits	204.30	180.63
Provision for anticipated sales return	39.23	95.56
Fair valuation of investments	19.30	(31.63)
Profit on sale of investments (net)	(9.38)	(20.15)
Loss on sale of fixed assets (net)	12.55	0.56
Dividend income	(3.75)	(2.63)
Interest income	(842.70)	(1,273.71)
Interest expenses	445.55	808.82
Subtotal of Adjustments	532.67	422.31
Operating profit before working capital changes	4,534.65	3,484.66
Changes in working capital:		
Adjustments for (increase)/decrease in:		
(Increase) / Decrease in trade receivables	(3,064.30)	(628.36)
(Increase) / Decrease in loans and advances and other current assets	(276.72)	(142.04)
(Increase) / Decrease in inventories	(686.21)	12.59
Increase / (Decrease) in trade payable and other liabilities	1,512.09	341.55
Increase / (Decrease) in Bank Borrowing availed	(316.07)	(3,277.87)
Subtotal of Adjustments	(2,831.21)	(3,694.13)
Cash generated from operations	1,703.44	(209.48)
Less: Income taxes paid (net of refund)	(888.14)	(929.39)
Cash Flow before extraordinary items	815.30	(1,138.87)
Net cash from operating activities	815.30	(1,138.87)
B Cash Flow from Investing Activities:		
Purchases of fixed assets	(1,777.18)	(1,790.04)
Sale of fixed assets	12.16	6.98
Proceeds from investments (net)	(33.87)	24.85
Redemption/(investments) of bank deposits having original maturity of more than 3 months	859.87	2,386.52
Dividend received	3.75	2.63
Interest received	842.70	1,273.71
Net Cash from/(used in) investing activities	(92.57)	1,904.65
C Cash Flow from Financing Activities:		
Dividends and corporate dividend tax paid	(300.89)	-
Interest paid	(445.55)	(808.82)
Net cash (used in)/generated from financing activities	(746.44)	(808.82)
D Net (decrease)/Increase in cash and cash equivalents (A+B+C)	(23.71)	(43.04)
E Cash and cash equivalents as at beginning of the year	87.28	130.32
F Cash and cash equivalents as at end of the year (D+E)	63.57	87.28
Notes:		
1 Cash and cash equivalents include:		
Cash on hand	9.60	17.34
Balance with banks	53.97	69.94
Total cash and cash equivalents	63.57	87.28
2 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) on Cash Flow Statement.		

As per our Report attached of even date,

For **R.S.SANGHAI & ASSOCIATES**

Chartered Accountants

FRN-109094W

R. S. Sanghai
Partner
M.No.36931
Place: Mumbai

Date: 16th May, 2018

For and on behalf of the Board of Directors of
INDCHEMIE HEALTH SPECIALITIES PVT. LTD.
CIN: U24230MH1986PTC039692

M. K. Singh
Managing Director
DIN : 000881412

Anand R.
Executive Director
DIN : 008106635

INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.

NOTE - 3: NOTES TO THE FINANCIAL STATEMENTS

Statement of Changes in Equity for the period ended 31st March, 2018

(a) Equity share capital

(₹ in Lakhs)

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
Balance at the beginning of the reporting period	2,50,000	25.00	2,50,000	25.00
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting period	2,50,000	25.00	2,50,000	25.00

(b) Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus			
	Capital Reserve	General Reserve	Retained Earnings	Total Other Equity
Balance at 1st April, 2017	30.00	16,500.00	2,336.61	18,866.61
Total Comprehensive Income for the year ended 31st March, 2018				
Profit for the year	-	-	2,534.23	2,534.23
Transferred from Retained Earnings	-	1,800.00	(1,800.00)	-
Other Comprehensive Income	-	-	(16.67)	(16.67)
Total Comprehensive Income for the year ended	-	1,800.00	717.56	2,517.56
Transactions with owners of the company				
Dividend on Equity Shares	-	-	(250.00)	(250.00)
Dividend Distribution Tax	-	-	(50.89)	(50.89)
Balance at 31st March, 2018	30.00	18,300.00	2,753.28	21,083.28



INDCHEMIE HEALTH SPECIALITIES PVT. LTD.
NOTES TO THE FINANCIAL STATEMENTS
NOTE - 1: SIGNIFICANT ACCOUNTING POLICIES:

1A. General Information

INDCHEMIE HEALTH SPECIALITIES PVT LTD ('the Company') was incorporated in 1986 under the provisions of Companies Act, 1956 of India, as a company with limited liability. The Company is domiciled in India with its registered office address being 510, Shah & Nahar Industrial Estate, Dr. E. Moses Road, Worli, Mumbai – 400018, India.

1B. SIGNIFICANT ACCOUNTING POLICIES:

1.1 Basis of preparation of Financial Statements:

a) Statement of compliance

The financial statements of the Company as at and for the year ended March 31, 2018 have been prepared in accordance with Indian Accounting standards ('Ind AS') notified by the Ministry of Corporate Affairs in consultation with the National Advisory Committee on Accounting Standards, under section 133 of the Companies Act, 2013 ('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Act.

The financial statements are authorised for issue by the Board of Directors of the Company at their meeting held on 16th May 2018.

b) Basis of preparation and presentation:

The preparation of financial statements in accordance with Ind AS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The Company presents assets and liabilities in Balance Sheet based on current/non-current classification.

An assets is classified as current when:

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Expected to be realised within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for atleast twelve months after the reporting period.

All other assets are classified as non-current.



INDCHEMIE HEALTH SPECIALITIES PVT. LTD.
NOTES TO THE FINANCIAL STATEMENTS
NOTE - 1: SIGNIFICANT ACCOUNTING POLICIES:

A liability is classified as current when:

- a) it is expected to be settled in normal operating cycle,
- b) it is held primarily for the purpose of trading,
- c) it is due to be settled within twelve months after the reporting period
- d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

1.2 Property, plant and equipment

i. Recognition and measurement:

- a) Items of Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of an item of Property, plant and equipment comprises its purchase price, including import duties and other non refundable taxes or levies and any directly attributable cost of bringing the assets to its working condition for its intended use and any trade discount and rebates are deducted in arriving at purchase price. Cost of the assets also includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use incurred up to that date.
- b) Any gain or loss on disposal of an item of property, plant and equipment is recognized in the statement of profit & loss.
- c) Cost of Items of Property, plant and equipment not ready for intended use as on the balance sheet date, is disclosed as capital work in progress. Advances given towards acquisition of Property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advance under Other noncurrent assets.

ii. Subsequent expenditure

Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.



INDCHEMIE HEALTH SPECIALITIES PVT. LTD.
NOTES TO THE FINANCIAL STATEMENTS
NOTE - 1: SIGNIFICANT ACCOUNTING POLICIES:

1.3 Depreciation and Amortisation:

Depreciation is provided on a straight line basis for all assets. Depreciation is provided based on the useful life of assets. The carrying amount as on April 01, 2014 is depreciated over the revised remaining useful life. Wherever the remaining useful life of the asset is NIL as per Schedule II, the carrying amount as on 1st April, 2014 is recognised under retained earnings during the year ended 31 March 2015.

Tangible Assets	Useful Life
Leasehold Land	Amortized over the period of Lease
Buildings	30 Years
Plant and Machinery	10 Years to 15 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years
Office Equipments	3 Years to 5 Years

1.4 Impairment of Assets:

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Intangible assets with indefinite useful life are tested annually for impairment. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.5 Operating Leases

Assets taken on lease under which substantially all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognised as expenses on straight line basis over the primary period of lease only if lease rentals are not linked to inflation in accordance with the respective lease agreements.



INDCHEMIE HEALTH SPECIALITIES PVT. LTD.
NOTES TO THE FINANCIAL STATEMENTS
NOTE - 1: SIGNIFICANT ACCOUNTING POLICIES:

1.6 Financial instruments

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

a) Financial Assets

The Company determines the classification of its financial assets at initial recognition. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

The financial assets are classified in the following measurement categories:

- a) Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- b) Those to be measured at amortised cost.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss as incurred.

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments.

The Company follows trade date accounting for all regular way purchase or sale of financial assets.

i) Amortised Cost

The Company classifies its financial assets as at amortised cost only if both of the following criteria are met:

- a) The asset is held within a business model with the objective of collecting the contractual cash flows, and



INDCHEMIE HEALTH SPECIALITIES PVT. LTD.
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- b) The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Financial assets at amortised cost include loans receivable, trade and other receivables, and other financial assets that are held with the objective of collecting contractual cash flows. After initial measurement at fair value, the financial assets are measured at amortised cost using the effective interest rate (EIR) method, less impairment.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the Statement of Profit or Loss in other income.

ii) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, debt securities and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets at fair value through profit or loss are carried in the Balance Sheet at fair value with net changes in fair value presented as finance costs in profit or loss. Interests, dividends and gain/loss on foreign exchange on financial assets at fair value through profit or loss are included separately in other income.

If Company elects to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments shall continue to be recognised in profit or loss as other income when the Company's right to receive payments is established. There are no impairment requirements for equity investments measured at fair value through other comprehensive income. Changes in the fair value of financial assets at fair value through profit or loss shall be recognised in other gain/(losses) in the statement of profit or loss as applicable.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Impairment of Financial Assets

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments and are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance
b) Trade receivables or any contractual right to receive cash or other financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18



INDCHEMIE HEALTH SPECIALITIES PVT. LTD.
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Expected credit losses are the probability-weighted estimate of credit losses (i.e. present value of all cash shortfalls) over the expected life of the financial asset. A cash shortfall is the difference between the cash flows that are due in accordance with the contract and the cash flows that the company expects to receive. The expected credit losses consider the amount and timing of payments and hence, a credit loss arises even if the Company expects to receive the payment in full but later than when contractually due. The expected credit loss method requires to assess credit risk, default and timing of collection since initial recognition. This requires recognising allowance for expected credit losses in profit or loss even for receivables that are newly originated or acquired.

Impairment of financial assets is measured as either 12 month expected credit losses or life time expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. '12 month expected credit losses' represent the expected credit losses resulting from default events that are possible within 12 months after the reporting date. 'Lifetime expected credit losses' represent the expected credit losses that result from all possible default events over the expected life of the financial asset.

Trade receivables are of a short duration, normally less than 12 months and hence the loss allowance measured as lifetime expected credit losses does not differ from that measured as 12 month expected credit losses. The Company uses the practical expedient in Ind AS 109 for measuring expected credit losses for trade receivables using a provision matrix based on ageing of receivables.

The Company uses historical loss experience and derived loss rates based on the past twelve months and adjusts the historical loss rates to reflect the information about current conditions and reasonable and supportable forecasts of future economic conditions. The loss rates differ based on the ageing of the amounts that are past due and are generally higher for those with the higher ageing.

Interest income

For all financial instruments measured at amortised cost and interest bearing financial assets, interest income is recognised using the effective interest rate (EIR), which is the rate that discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original EIR of the instrument, and continues unwinding the discount as interest income. Interest income on impaired financial asset is recognised using the original EIR.

Dividends

Dividends are recognised as revenue when the right to receive payment is established.



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Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

b) Financial Liabilities

The Company determines the classification of its financial liabilities at initial recognition.

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities shall be subsequently measured at fair value.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counter party.

1.7 Equity instruments

Equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities and includes no obligation to deliver cash or other financial assets. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issuance costs.



INDCHEMIE HEALTH SPECIALITIES PVT. LTD.
NOTES TO THE FINANCIAL STATEMENTS
NOTE - 1: SIGNIFICANT ACCOUNTING POLICIES:

1.8 Inventories:

- a) Raw Materials and Packing Materials are valued at cost, if the finished products in which they will be incorporated are expected to be sold at or above cost. If the decline in price of materials indicate that the cost of finished goods exceeds net realisable value, the materials are written down to net realisable value; cost is calculated on weighted average basis.
- b) Finished Goods and Work-in-Progress are valued at lower of cost and net realisable value. In respect of finished goods, cost includes materials, appropriate share of utilities, other overheads and applicable excise duty. Trading Goods are valued at lower of cost (on weighted average basis) and net realisable value. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.
- c) Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.
- d) Traded goods are valued at lower cost or net realizable value.
- e) Proceeds in respect of sale of rawmaterial (not significant) are credited to respective head. Obsolete, detective and unserviceable inventory are duly provided for.

1.9 Revenue Recognition:

- a) Revenue from sale of goods is recognised when the significant risks and rewards in respect of ownership of products are transferred by the Company and no significant uncertainty exist regarding the amount of consideration that will be derived from the sale of goods as well as regarding its ultimate collection. Revenue from product sales is stated net of returns, sales tax and applicable trade discounts and allowances. Revenue from product sales includes excise duty, wherever applicable. Sales are also netted off for probable saleable and non-saleable return of goods from the customers, estimated on the basis of historical data of such returns.
- b) Revenue (including in respect of insurance or other claims, interest etc.) is recognised when it is reasonable to expect that the ultimate collection will be made
- c) Dividend from investment is recognised as revenue when right to receive the payments is established.
- d) Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and no significant uncertainty exist regarding its ultimate collection.



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NOTE - 1: SIGNIFICANT ACCOUNTING POLICIES:

1.10 (a) Excise Duty and CENVAT:

In accordance with the method of accounting regularly employed by the Company, Cenvat has been accounted on the basis of "exclusive method" as recommended by the Institute of Chartered Accountants of India wherever applicable.

(b) Goods & Service Tax:

Effective 1st July, 2017 on introduction of GST, input tax credit has been accounted on the basis of "exclusive method" and no provision for tax is required to be made on finished goods lying at factories as the taxable event in as per the provisions of the GST law is supply and not manufacturing.

1.11 Foreign currencies

i. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the Company at the exchange rates at the dates of the transactions. The functional and presentation currency of the Company is Indian Rupees.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

1.12 Employee Benefits:

a) Post Employment Benefits and Other Long Term Benefits:

i) Defined Contribution Plan:

Company's contribution for the year paid/payable to defined contribution retirement benefit schemes are charged to Statement of Profit and Loss. The Company's contribution towards provident fund for eligible employees are considered to be defined contribution plan for which the Company made contribution on monthly basis.

ii) Defined Benefit and Other Long Term Benefit Plans:

Company's liabilities towards defined benefit plans and other long term benefits viz. gratuity and compensated absences expected to occur after twelve months, are determined using the Projected Unit Credit Method. Actuarial valuations under the Projected Unit Credit Method are carried out at the balance sheet date. Actuarial gains and losses are recognised in the Statement of Other Comprehensive income in the period of occurrence of such gains and losses. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit



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obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets, if any.

b) Short term Employee Benefits:

Short term employee benefits are benefits payable and recognised in 12 months. Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the year as the related service are rendered by the employee.

1.13 Taxes on Income:

Income tax expense represents the sum of the current tax, deferred tax and MAT.

Current tax payable or recoverable is based on taxable profit for the year. Taxable profit differs from profit as reported in the Statement of Profit and Loss because some items of income or expense are taxable or deductible in different years or may never be taxable or deductible. The Company's liability for current tax is calculated using Indian tax rates and laws that have been enacted by the reporting date.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority.

The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities in the Balance Sheet and the corresponding tax bases used in the computation of taxable profit. It is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the reporting date.

A deferred tax asset shall be recognised for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Deferred income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the Balance Sheet, if and only when the Company currently has a legally enforceable right to set-off the current income tax assets and liabilities



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NOTE - 1: SIGNIFICANT ACCOUNTING POLICIES:

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the ICAI the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT credit Entitlement to the extent there is no longer convincing evidence to the effect that the company will pay normal Income Tax during the specified period.

1.14 Borrowing Costs:

Borrowing costs are interest and other costs incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are recognised as an expense in the Statement of Profit and Loss of the period in which they are incurred

1.15 Provision, Contingent Liabilities and Contingent Assets:

A provision is recognised if as a result of a past event, the Company has a present obligation (legal or constructive) that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

1.16 Earnings per share ('EPS')

Basic EPS is computed using the weighted average number of equity shares outstanding during the period. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the results would be anti-dilutive.



INDCHEMIE HEALTH SPECIALITIES PVT. LTD.
NOTES TO THE FINANCIAL STATEMENTS
NOTE - 1: SIGNIFICANT ACCOUNTING POLICIES:

1.17 Government Grants:

Grants related to depreciable assets are treated as deferred income which is recognised in the Statement of profit and loss on a systematic and rational basis over the useful life of the asset. Such allocation to income is usually made over the periods and in the proportions in which depreciation on related assets is charged. Government Grants of revenue nature is reduced from related expenses in the statement of Profit and Loss in the year of its receipt or when there is a reasonable assurance of its being received.



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The Company prepares its financial statements in accordance with Ind AS as issued by the MCA, the application of which often requires judgments to be made by management when formulating the Company's financial position and results. The Directors are required to adopt those accounting policies most appropriate to the Company's circumstances for the purpose of presenting fairly the Company's financial position, financial performance and cash flows.

In determining and applying accounting policies, judgment is often required in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the reported results or net asset position of the Company should it later be determined that a different choice would be more appropriate.

Management considers the accounting estimates and assumptions discussed below to be its critical accounting estimates and, accordingly, provide an explanation of each below. The discussion below should also be read in conjunction with the Company's disclosure of significant accounting policies which are provided in note 3 to the Separate financial statements.

a. Estimate of current and deferred tax

The Company's tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/losses and/or cash flows.

The complexity of the Company's structure makes the degree of estimation and judgement more challenging. The resolution of issues is not always within the control of the Company and it is often dependent on the efficiency of the legal processes in the relevant taxing jurisdictions in which the Company operates. Issues can, and often do, take many years to resolve. Payments in respect of tax liabilities for an accounting period result from payments on account and on the final resolution of open items. As a result there can be substantial differences between the tax charge in the Separate Statement of Profit and Loss and tax payments.

b. Recognition of deferred tax assets

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits.



c. Estimation of useful life

The useful life used to amortise or depreciate intangible assets or property, plant and equipment respectively relates to the expected future performance of the assets acquired and management's judgement of the period over which economic benefit will be derived from the asset. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the Statement of Profit and Loss.

The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology.

d. Provision for trade and other receivables

Trade and other receivables are stated at their amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances and historical experience. Individual trade receivables are written off when management deems them not to be collectible.

e. Provisions and contingent liabilities

The Company exercises judgment in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgment is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

f. Provision for Expected Sales Returns

In determining the provision for anticipated sales returns, estimates for probable saleable and non-saleable returns of goods from the customers are made on the basis of historical data of such returns.

g. Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for the financial reporting purposes.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in note 3.



INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.
NOTE - 3: NOTES TO THE FINANCIAL STATEMENTS
3.1. : Property, Plant and Equipment and Capital Work in Progress

(₹ in Lakhs)

Particulars	Tangible assets							Total	Capital Work in Progress
	Freehold Land	Leasehold Land	Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipments		
At Cost									
As at 1st April, 2017	280.36	131.72	2,322.01	4,801.94	101.39	241.74	95.40	7,974.56	-
Additions	-	-	313.62	840.69	81.15	15.44	30.69	1,281.59	-
Adjustments	-	-	-	-	-	-	-	-	-
Deletions	-	-	(4.87)	(21.24)	-	(18.65)	-	(44.77)	-
As at 31st March, 2018	280.36	131.72	2,630.75	5,621.39	182.54	238.53	126.09	9,211.38	-
Depreciation and Amortisation									
As at 1st April, 2017	-	3.48	165.33	949.30	26.61	68.38	37.35	1,250.45	-
Depreciation/amortisation for the year	-	1.73	102.10	488.02	15.25	36.67	23.80	667.57	-
Adjustments	-	-	-	-	-	-	-	-	-
Deductions	-	-	(0.03)	(10.20)	-	(11.34)	-	(21.58)	-
As at 31st March, 2018	-	5.21	267.40	1,427.12	41.86	93.72	61.15	1,896.44	-
Net Book Value									
As at 31st March, 2017	280.36	128.24	2,156.68	3,852.64	74.78	173.36	58.05	6,724.11	835.97
As at 31st March, 2018	280.36	126.51	2,363.35	4,194.27	140.68	144.82	64.94	7,314.93	1,331.56



INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED
NOTE - 3 : NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2018 (₹)	As at 31st March, 2017 (₹)
3.2 : Non Current Investment:		
In Equity Shares of Other Companies (at fair value through profit and loss):		
Unquoted		
9000 equity shares of Rs.10/- each of The Shivalik Solid Waste Management Ltd., fully paid.	0.90	0.90
2500 equity shares of Rs.10/- each of The Saraswat Co-operative Bank Ltd., fully paid.	0.25	0.25
Preference Share (Unquoted)		
100000 perpetual non-cumulative preference shares of Rs.10/- each of The Saraswat Co-operative Bank Ltd., fully paid.	10.00	10.00
TOTAL	11.15	11.15
3.3 : Other Non-Current Financial Assets:		
In Deposit Accounts:		
Bank Deposits with maturity beyond 12 months (Refer note 3.9)	5566.45	7074.4
Interest on Deposits, accrued but not due	8.80	14.04
Security Deposits	120.93	112.73
TOTAL	5,696.18	7,201.17
Note:		
Bank Deposits of Rs. 2,270.00 Lakhs as at 31.03.2018 (Rs. 5328.48 Lakhs as at 31.03.2017) is under lien with the Banks against Overdraft facility.		
3.4 : Other Non-Current Assets:		
Capital Advances	42.22	62.69
TOTAL	42.22	62.69



INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED
NOTE - 3 : NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2018 (₹)	As at 31st March, 2017 (₹)
3.5 : Inventories:		
(Refer note no. 1.8) for accounting policy		
Raw and Packing Materials	2,376.60	1,785.70
Goods-in-Transit	0.01	6.57
	2,376.61	1,792.27
Work-in-Progress	324.25	281.41
Finished Goods	1,736.75	1,712.34
Goods-in-Transit	77.24	15.66
	1,813.99	1,728.00
Stock-in-Trade	50.66	77.42
Goods-in-Transit	-	0.20
	50.66	77.62
TOTAL	4,565.51	3,879.30



INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED

NOTE - 3: NOTES TO THE FINANCIAL STATEMENTS

3.6 : Current Investments (fair value through Profit & Loss) :

(₹ in Lakhs)

Description	Face Value per share	As at 31st March, 2018		As at 31st March, 2017	
		Numbers	Fair Value (₹)	Numbers	Fair Value (₹)
Fully paid equity shares (Quoted)					
Aban Offshore Ltd.	2	2,000	3.17	3,000	6.66
Adani Power Ltd.	10	10,000	2.37	NIL	-
Aditya Birla Capital Ltd.	10	1,000	1.46	NIL	-
Adlabs Entertainment Ltd.	10	3,700	1.72	NIL	-
Asian Paints Ltd.	1	500	5.60	500	5.35
Axis Bank Ltd.	2	200	1.02	200	1.00
Bajaj Hindusthan Sugar Limited	1	5,000	0.44	NIL	-
BF Utilities	10	NIL	-	500	2.24
Bharat Financial Inclusion Ltd.	10	300	3.29	500	4.04
Bhushan Steel Ltd.	2	4,000	1.62	7,500	4.18
Cairn India Ltd.	1	NIL	-	1,000	3.00
Canara Bank	10	NIL	-	626	1.90
Castrol India Ltd.	5	1,000	2.05	NIL	-
Chambal Fertilisers & Chemical Ltd.	10	1,000	1.65	2,000	1.68
Colgate Palmolive (India) Ltd.	1	100	1.06	100	1.01
Container Corporation of India Ltd.	10	NIL	-	100	1.27
Dwarikesh Sugar Industries Ltd.	1	6,000	1.51	NIL	-
Equitas Holdings Ltd.	10	2,000	2.88	2,000	3.29
63 Moons Technologies Ltd.	2	5,000	4.33	5,500	4.15
GIC Housing Finance Limited	10	500	1.86	NIL	-
Hindustan Copper Ltd.	5	1,500	0.94	1,500	0.98
Hindustan Zinc Ltd.	2	500	1.50	500	1.43
ICICI Bank Ltd.	2	1,000	2.78	1,200	3.38
IDBI Bank Limited	10	1,000	0.72	NIL	-
IDFC Bank Ltd.	10	2,000	0.95	2,000	1.19
IFCI Ltd.	10	10,000	1.96	10,000	2.99
Indbank Merchant Banking Services Limited	10	5,000	0.96	NIL	-
Indian Oil Corporation Limited	10	1,000	3.53	NIL	-
Infosys Ltd.	5	200	2.26	100	1.03
IDFC Ltd.	10	2,000	0.98	2,000	1.09
Just Dial Ltd.	10	300	1.33	NIL	-
Kale Consultants	10	50	0.67	50	0.72
Kotak Bank Ltd.	10	NIL	-	500	4.33
L&T Finance Holdings Ltd.	10	10,000	15.71	10,000	12.34
MCX India Ltd.	10	250	1.67	NIL	-
MMTC Ltd.	1	2,500	1.39	5,000	3.07
MOIL Ltd.	10	800	1.57	500	1.58
Monsanto India Ltd.	10	25	0.69	NIL	-
Monte Carlo Fashions Limited	10	500	2.35	NIL	-



INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED

NOTE - 3: NOTES TO THE FINANCIAL STATEMENTS

3.6 : Current Investments (fair value through Profit & Loss) :

(₹ in Lakhs)

Description	Face Value per share	As at 31st March, 2018		As at 31st March, 2017	
		Numbers	Fair Value (₹)	Numbers	Fair Value (₹)
Fully paid equity shares (Quoted)					
Natco Pharma Ltd.	2	150	1.13	NIL	-
NBCC (India) Limited	2	1,000	1.90	NIL	-
NHPC Ltd.	10	2,000	0.55	2,000	0.63
Oil & Natural Gas Corporation Ltd.	5	5,250	9.34	5,250	9.66
Panyam Cements & Mineral Industries Ltd.	10	1,000	0.39	NIL	-
Piramal Phytocare Ltd.	10	1,500	0.58	1,000	0.82
Punj Lloyd Ltd.	2	10,000	1.69	10,000	1.97
Punjab & Sind Bank	10	2,000	0.70	2,000	1.10
Punjab National Bank	2	5,000	4.77	NIL	-
Reliance Communications Ltd.	5	10,000	2.18	10,000	3.83
Reliance Home Finance Ltd.	10	1,000	0.60	NIL	-
Reliance Infrastructure Ltd.	10	300	1.28	300	1.69
Reliance Naval Defence and Engineering Ltd.	10	5,000	1.37	5,000	3.30
Shree Cement Ltd.	10	30	4.86	30	5.17
Siemens Ltd.	2	NIL	-	10	0.13
State Bank of India	1	5,000	12.50	5,000	14.55
Subex Ltd.	10	50,000	3.85	NIL	-
Sun Pharma Advanced Research Co. Ltd.	1	600	2.26	600	1.90
Sun Pharmaceutical Industries Ltd.	1	1,100	5.45	700	4.81
Suzlon Energy Ltd.	2	25,000	2.68	25,000	4.86
Tata Communications Ltd.	10	1,000	6.20	NIL	-
Tata Consultancy Services Ltd.	1	100	2.85	100	2.44
Tata Motors Ltd.	2	250	0.82	250	1.17
Tech Mahindra Ltd.	5	500	3.19	500	2.31
The Karnataka Bank Ltd.	10	2,000	2.30	3,000	4.20
The Orissa Minerals Development Company Ltd.	1	100	1.56	100	2.08
UCO Bank	10	1,000	0.22	1,000	0.36
Union Bank of India	10	10,000	9.40	NIL	-
Vedanta Ltd.	1	2,000	5.55	1,000	2.75
Venus Remedies Ltd.	1	NIL	-	1,000	0.97
Preference Shares (Quoted)					
Vedanta Ltd. (7.5% Non-convertible)	1	4,000	0.40	NIL	-
TOTAL			168.51		144.57



INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED
NOTE - 3 : NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2018 (₹)	As at 31st March, 2017 (₹)
3.7 : Trade Receivables:		
(Unsecured)		
Considered good	7,391.46	4,327.16
Considered doubtful	184.39	138.20
Less: Allowance for bad and doubtful debts	(184.39)	(138.20)
TOTAL	7,391.46	4,327.16
Note:		
Above Trade Receivables include amount due from related parties Rs. 2,526.78 Lakhs as at 31.03.2018 (Rs. 622.03 Lakhs as at 31.03.2017) - (Refer note no. 3.38)		
3.8 : Cash and Cash Equivalents:		
(Refer note no. 1.6) for accounting policy		
Cash on hand	9.60	17.34
Balance with banks:		
In current accounts	53.97	69.94
TOTAL	63.57	87.28
3.9 : Other Bank Balances:		
Bank Deposits with Maturity within 12 Months	5,608.23	4,960.15
TOTAL	5,608.23	4,960.15
Note:		
Bank Deposits of Rs. 4198.48 Lakhs as at 31.03.2018 (Rs. 4329.03 Lakhs as at 31.03.2017) is under lien with the Banks against Overdraft facility.		
Details of Bank Balances/Deposits		
Bank Deposits with maturity within 12 months	5,608.23	4,960.15
Bank Deposits with maturity beyond 12 months	5,566.45	7,074.40
TOTAL	11,174.68	12,034.55



INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED
NOTE - 3 : NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2018 (₹)	As at 31st March, 2017 (₹)
3.10 : Current Loans:		
(Unsecured, Considered Good, unless Otherwise Stated)		
Loans and Advances to Employees	37.27	41.08
TOTAL	37.27	41.08
3.11 : Other Current Financial Assets:		
Interest on Deposits, Accrued but not Due	48.65	602.97
Export Incentives Receivable	30.06	25.95
Budgetary Support under GST Receivable	206.71	-
Other Interest	0.29	-
TOTAL	285.71	628.92
3.12 : Other Current Assets:		
Balances with Government Authorities	943.99	297.88
Advance to Suppliers: Considered Good	107.21	95.30
Prepaid Expenses	212.25	230.54
TOTAL	1,263.45	623.72



INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED
NOTE - 3 : NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2018 (₹)	As at 31st March, 2017 (₹)
3.13 : Equity Share Capital:		
Authorised: 2,50,000 equity shares (P.Y. 2,50,000 equity shares) of Rs. 10/- each.	25.00	25.00
	25.00	25.00
Issued, Subscribed and Paid up: 2,50,000 equity shares (P.Y. 2,50,000 equity shares) of Rs. 10/- each.	25.00	25.00
TOTAL	25.00	25.00

(a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the period:

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Number	(₹)	Number	(₹)
Number of shares at the commencement of the year	2,50,000	25.00	2,50,000	25.00
Add : Shares issued during the year	-	-	-	-
Less : Shares bought back during the year	-	-	-	-
Number of shares at the end of the year	2,50,000	25.00	2,50,000	25.00

(b) Rights, preferences and restrictions attached to Equity Shares:

The Company has only one class of equity shares with voting rights having a par value of Rs.10/- per share. Each shareholder is eligible for one vote per share held.

In the event of liquidation of the Company, the shareholders of equity shares will be entitle to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) shares held by Holding Company:

Name of Holding Company:	As at 31st March, 2018		As at 31st March, 2017	
	Number of shares	Percentage of Holding	Number of shares	Percentage of Holding
Alkem Laboratories Ltd.	1,27,500	51.00%	1,27,500	51.00%

(d) Details of shareholders holding more than 5% shares in the Company:

Name of the shareholders:	As at 31st March, 2018		As at 31st March, 2017	
	Number of shares	Percentage of Holding	Number of shares	Percentage of Holding
Alkem Laboratories Ltd. (Holding Company)	1,27,500	51.00%	1,27,500	51.00%
Mr. Samprada Singh	16,364	6.55%	16,364	6.55%
Mr. Basudeo Narain Singh	18,750	7.50%	18,750	7.50%
Mr. Dhananjay Kumar Singh	16,500	6.60%	16,500	6.60%
Mr. Mritunjay Kumar Singh	16,500	6.60%	16,500	6.60%



INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED
NOTE - 3 : NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2018 (₹)	As at 31st March, 2017 (₹)
3.13 : Other Equity		
Capital Reserve:		
At the commencement of the year	30.00	30.00
Add / (Less): For the year	-	-
At the End of the Year	TOTAL (A)	30.00
General Reserve:		
At the commencement of the year	16,500.00	15,100.00
Add: Transferred from Retained Earnings	1,800.00	1,400.00
At the End of the Year	TOTAL (B)	18,300.00
Retained Earnings:		
At the commencement of the year	2,375.98	1,327.28
Add: Profit for the year	2,534.23	2,448.70
	(a)	4,910.21
Less: Appropriations:		
Transfer to General Reserve	1,800.00	1,400.00
Dividend on Equity Shares	250.00	-
Dividend Distribution Tax	50.89	-
	(b)	2,100.89
At the End of the Year	TOTAL (C) (a-b)	2,809.32
Less: Other Comprehensive Income:		
At the commencement of the year	39.37	13.51
Add: For the year	16.67	25.86
At the End of the Year	TOTAL (D)	56.04
TOTAL (A+B+C-D)	21,083.28	18,866.61



INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED
NOTE - 3 : NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2018 (₹)	As at 31st March, 2017 (₹)
3.14 : Other Non Current Financial Liabilities		
Security Deposits	56.50	63.50
TOTAL	56.50	63.50
3.15 : Non Current Provisions		
Provisions for Employee Benefits		
Gratuity (Refer note no. 3.33)	683.04	485.11
Compensated absences	198.13	194.60
Provision for anticipated sales returns (Refer note. No. 3.35)	648.68	609.44
TOTAL	1,529.85	1,289.15



INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED
NOTE - 3: NOTES TO THE FINANCIAL STATEMENTS
3.16 : Income Taxes

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
(A) Amounts recognised in profit and loss		
Current tax	1,460.00	685.00
Adjustment of tax relating to previous year	0.79	27.05
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	7.67	0.07
Increase in tax rate	1.56	-
Recognition of MAT credit entitlement	-	(58.92)
MAT credit entitlement of earlier years written off.	23.65	-
Deferred tax expense	32.88	(58.84)
Tax expense for the year	1,493.68	653.20

Particulars	For the year ended 31st March, 2018			For the year ended 31st March, 2017		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
(B) Amounts recognised in other comprehensive income						
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	(25.93)	9.26	(16.67)	(39.54)	13.68	(25.86)
	(25.93)	9.26	(16.67)	(39.54)	13.68	(25.86)

Particulars		For the Year Ended 31st March, 2018		For the Year Ended 31st March, 2017
(C) Reconciliation of effective tax rate				
Profit before tax		4,027.91		3,101.90
Tax using the Company's domestic tax rate (Current year 34.608% and Previous Year 34.608%)	34.608%	1,393.98	34.608%	1,073.50
Tax effect of:				
Short term capital gains taxable at lower rate	-0.03%	(1.33)	-0.05%	(1.40)
Long term capital gains exempt under income tax	-0.01%	(0.58)	-0.09%	(2.94)
Expense/Income not deductible/Included for tax purposes	0.55%	22.33	0.10%	3.16
Income exempt from Income tax	-0.03%	(1.30)	-0.03%	(0.91)
Tax Incentive	0.00%	-	-13.81%	(428.49)
Interest u/s 234B & 234C	1.26%	50.72	0.00%	-
Others	0.15%	6.21	-1.57%	(48.64)
MAT credit reversal	0.59%	23.65	1.90%	58.92
	37.083%	1,493.68	21.058%	653.20

The Company's weighted average tax rates for the years ended 31st March, 2018 and 2017 were 34.608% and 34.608%, respectively. Income tax expense is Rs. 1,493.68 Lakhs for the year ended 31st March, 2018, as compared to income tax expense of Rs. 653.20 Lakhs for the year ended 31st March, 2017

The Company's effective tax rate for the year ended 31st March, 2018 was 37.083% (31st March, 2017 : 21.058%)



INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED
NOTE - 3: NOTES TO THE FINANCIAL STATEMENTS
3.16 : Income Taxes

(₹ in Lakhs)

(D) Movement in Deferred Tax Balances

Particulars	31st March, 2018						
	Net balance 1st April, 2017	Recognised in profit or loss	Recognised in OCI	Utilised During the Year	Net	Deferred tax asset	Deferred tax liability
Property, plant and equipment and Intangible assets	(767.60)	(89.03)	-	-	(856.63)	-	(856.63)
Employee benefits	334.58	83.89	(9.26)	-	409.21	409.21	-
Trade receivables	47.83	16.60	-	-	64.43	64.43	-
Provision for anticipated sales return	210.91	15.76	-	-	226.67	226.67	-
Deferred Government Grant	13.40	(2.37)	-	-	11.03	-	11.03
Investment	2.92	6.77	-	-	9.69	9.69	-
Other items	25.30	(23.71)	-	-	1.59	1.59	-
Deferred Income on EPCG Scheme	-	1.39	-	-	1.39	1.39	-
MAT credit entitlement	58.92	(23.66)	-	(35.26)	-	-	-
Tax assets (Liabilities)	(73.74)	(14.36)	(9.26)	(35.26)	(132.62)	712.98	(845.60)
Offsetting of deferred tax assets and deferred tax liabilities						(712.98)	712.98
Net tax assets	(73.74)	(14.36)	(9.26)	(35.26)	(132.62)	-	(132.62)

Particulars	31st March, 2017						
	Net balance 1st April, 2016	Recognised in profit or loss	Recognised in OCI	Utilised During the Year	Net	Deferred tax asset	Deferred tax liability
Property, plant and equipment and Intangible assets	(661.08)	(106.52)	-	-	(767.60)	-	(767.60)
Employee benefits	272.06	76.20	(13.68)	-	334.58	334.58	-
Trade receivables	51.04	(3.21)	-	-	47.83	47.83	-
Provision for anticipated sales return	177.84	33.07	-	-	210.91	210.91	-
Deferred Government Grant	-	13.40	-	-	13.40	-	13.40
Investment	13.87	(10.95)	-	-	2.92	2.92	-
Other items	-	25.30	-	-	25.30	25.30	-
MAT credit entitlement	-	58.92	-	-	58.92	58.92	-
Tax assets (Liabilities)	(146.27)	86.21	(13.68)	-	(73.74)	680.46	(754.20)
Offsetting of deferred tax assets and deferred tax liabilities						(680.46)	680.46
Net tax assets	(146.27)	86.21	(13.68)	-	(73.74)	-	(73.74)

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

In India, in case income tax payable on book profit (that is Minimum alternate tax - 'MAT') exceeds the income tax payable on tax profit, the differential amount shall be carried forward as a MAT credit for a period of 15 years. The said MAT credit can be offset against any future income tax payable. The Company has utilised opening MAT credit during the year and balance as at 31st March, 2018 is Rs. Nil (Rs. 58.92 as at 31st March, 2017).

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.



INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED
NOTE - 3 : NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2018 (₹)	As at 31st March, 2017 (₹)
3.17 : Other non-current liabilities		
Deferred Income on Government Grant	24.43	31.57
	24.43	31.57
3.18 : Current Borrowings:		
Secured		
Loans repayable on demand from banks	3,310.44	3,626.51
TOTAL	3,310.44	3,626.51
Note:		
Overdraft from Banks are secured against pledge of Fixed Deposits with the banks.		
3.19 : Trade Payables:		
Dues to Micro and Small Enterprises (Refer note no. 3.32)	800.57	1,353.78
Others	3,812.70	1,905.24
TOTAL	4,613.27	3,259.02
3.20 : Other Current Financial Liabilities:		
Interest accrued but not due on borrowings	78.14	40.70
Employee payables	1,543.55	1,441.88
Accrual for expenses	279.46	315.33
TOTAL	1,901.15	1,797.91



INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED
NOTE - 3 : NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2018 (₹)	As at 31st March, 2017 (₹)
3.21 : Other Current Liabilities:		
Deferred Income on EPCG Scheme	3.99	-
Deferred Income on Government Grant	7.15	7.15
Due to Statutory Authorities	170.70	105.96
TOTAL	181.84	113.11
Note:		
Due to statutory authorities includes GST, Sale tax, VAT, CST, TDS, Entry tax, ESIC, Professional tax & Provident fund payable.		
3.22 : Current Provisions:		
Provision for employee benefits:		
Gratuity (Refer note no. 3.33)	171.73	167.05
Compensated absences	118.14	119.99
TOTAL	289.87	287.04
3.23 : Liabilities For Current Tax (Net):		
For Income Tax (Net of Advance Tax)	631.50	94.11
TOTAL	631.50	94.11



INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED
NOTE - 3 : NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2018 (₹)	For the Year ended 31st March, 2017 (₹)
3.24 : Revenue From Operations:		
Sale of Products (A)	33,454.84	34,100.83
Note: Effective 1st July, 2017 on introduction of GST, the company has presented sales net of GST whereas earlier sales was presented gross of excise duty and excise duty amount was shown as expense. Sales net of excise duty for the year ended 31st March, 2018 is Rs. 32,687.91 Lakhs (P.Y. Rs. 30,264.33 Lakhs). Accordingly, revenue from operations for the year ended 31st March, 2018 is not comparable with the previous year.		
Other Operating Revenues:		
Manufacturing charges	1,710.36	697.38
Budgetary Support Benefit under GST	206.71	-
Export incentives	99.15	61.77
Scrap sales	73.06	64.15
Government subsidy income (Refer note no. 1.17)	7.15	68.51
Miscellaneous receipts	4.41	0.50
Total Other Operating Revenue: (B)	2,100.85	892.31
TOTAL (A+B)	35,555.68	34,993.14
3.25 : Other Income:		
Interest on bank deposits	842.34	1,273.23
Other interest	0.36	0.48
Dividend income	3.75	2.63
Foreign currency transactions and translation gain (net)	29.52	22.60
Net profit on sale of investments (from current investments)	9.38	20.15
Gain on fair valuation of investment (from current investments)	-	31.63
TOTAL	885.35	1,350.72



INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED
NOTE - 3 : NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2018 (₹)	For the Year ended 31st March, 2017 (₹)
3.26 : Cost of Materials Consumed		
Raw material consumed	7,927.47	7,975.42
Packing material consumed	3,250.54	3,414.15
TOTAL	11,178.01	11,389.57
3.27 : Changes In Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress:		
Opening Stock:		
Finished goods	1,728.00	1,571.19
Stock-in-trade	77.62	8.42
Work-in-progress	281.41	201.83
(A)	2,087.03	1,781.44
Less: Closing stock:		
Finished goods	1,813.99	1,728.00
Stock-in-trade	50.65	77.62
Work-in-progress	324.25	281.41
(B)	2,188.89	2,087.03
TOTAL (A-B)	(101.86)	(305.59)
3.28 : Employee Benefits Expense:		
Salaries, wages and bonus	8,185.29	6,573.62
Contribution to provident and other funds (Refer note no. 3.33)	431.99	356.64
Employees' welfare expenses	247.57	252.11
TOTAL	8,864.85	7,182.37



INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED
NOTE - 3 : NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2018 (₹)	For the Year ended 31st March, 2017 (₹)
3.29 : Finance Costs:		
Interest on borrowings	361.15	729.53
Interest on MSME creditors	38.20	37.42
Interest on Defined benefit liabilities (Refer note no. 3.33)	42.66	37.05
Other borrowing cost	21.93	25.81
TOTAL	463.94	829.81
3.30 : Other Expenses:		
Consumption of stores and spare parts	368.31	368.43
Power and fuel	903.18	876.82
Excise duty	766.93	3,836.50
Contract Labour Charges	822.48	637.61
Rent	295.16	253.93
Rates and taxes	17.76	15.12
Insurance	162.48	133.42
Marketing and promotions	3,044.03	2,494.37
Selling and distribution expenses	429.28	627.68
Legal and professional Fees	81.97	100.05
Sales Tax, GST, Entry Tax & Octroi Duty	219.51	189.40
Commission and discount	250.80	286.01
Travelling and conveyance	2,834.86	2,475.08
Repairs:		
- Buildings	50.70	24.93
- Plant and machineries	141.24	74.65
- Others	80.05	99.23
Loss on sale of fixed assets (net)	12.55	0.56
Donation	0.20	31.18
Communication and printing expenses	220.18	202.92
Vehicle expenses	126.73	127.99
Loss on fair valuation of investment (from current investments)	19.30	-
Sundry balance written off	0.13	(0.04)
Manufacturing Charges	6.82	3.75
Allowance for doubtful debts	46.19	(9.29)
Corporate Social Responsibility (CSR) expenditure	76.38	65.00
Miscellaneous expenses	306.78	370.39
TOTAL	11,284.00	13,285.69



INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.
NOTE - 3: NOTES TO THE FINANCIAL STATEMENTS

3.31 Contingent Liabilities and Commitments

a) Contingent Liabilities not Provided For

(₹ in Lakhs)

Sr. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
1	Claims against the Company not acknowledged as debt:		
(i)	Central Excise duty demand disputed in appeal - advances paid against pending dispute Rs. 3.06 Lakhs (P. Y. Rs. 1.00 Lakhs)	31.21	3.68
(ii)	Sales Tax demand disputed in appeal - advances paid against pending dispute Rs. 0.10 Lakhs (P. Y. Rs. 0.10 Lakhs)	36.20	36.20
(iii)	Income Tax demand disputed in appeal - advances paid against pending dispute in Rs. Nil (P. Y. Rs. 0.01 Lakhs)	-	1.86
(iv)	Income Tax demand disputed with Assistant Commissioner of Income Tax (AY 2013-14)	0.30	0.30
(v)	Income Tax demand disputed with Deputy Commissioner of Income Tax (AY 2014-15)	21.24	21.24
	Total	88.95	63.28

Management considers that the excise duty, sales tax and income tax demands received from the authorities are not tenable against the Company, and therefore no provision for these tax contingencies have been made.

The Company has reviewed all its pending litigations and proceedings and has adequately provided for, where provisions are required and disclosed as contingent liabilities wherever applicable, in its financial statement. The Company does not expect the outcome of these proceedings to have any materially adverse effect on its financial statements.

b) Commitments

(₹ in Lakhs)

Sr. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
1	Estimated amount of contracts remaining to be executed on Capital Accounts {advances paid Rs. 42.22 Lakhs (Previous Year Rs. 62.70 Lakhs)}	135.09	298.88
2	Letter of Credit opened by the Banks	217.35	139.07
3	Outstanding Bank Guarantees	76.40	2.85
4	Pending Export Obligation under advance licence/ EPCG Scheme	75.86	59.70



INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.
NOTE - 3: NOTES TO THE FINANCIAL STATEMENTS

3.32 Dues to Micro and Small enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro and Small Enterprises. On the basis of the information and records available with the Management, the outstanding dues to the Micro & Small enterprises as defined in MSMED are set out in following disclosure.

(₹ in Lakhs)			
Sr. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
1	Principal amount remaining unpaid to any supplier as at the year end	800.57	1,353.78
2	Interest due thereon	38.20	37.42
3	The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	Nil	Nil
4	The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	Nil	Nil
5	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	Nil	Nil
6	The amount of interest accrued and remaining unpaid at the end of each accounting year.	75.63	37.42
7	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	Nil	Nil

The above disclosure is made based on the information available with the Company and has been relied upon by the Auditors.

3.33 Disclosure of Employee Benefits as per Indian Accounting Standard 19 is as under:

i) Defined contribution plans:

The Company makes contributions towards provident fund and superannuation fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. The provident fund plan is operated by the Government administered employee provident fund. Eligible employees receive the benefits from the said Provident Fund. Both the employees and the Company make monthly contribution to the Provident Fund plan equal to a specific percentage of the covered employee's salary. The Company has no obligations other than to make the specified contributions.

The Company has recognised the following amounts in the statement of Profit and Loss

(₹ in Lakhs)		
Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Contribution to Provident Fund	379.21	320.89
Contribution to ESIC	52.73	35.70
Total	431.94	356.59



INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.
NOTE - 3: NOTES TO THE FINANCIAL STATEMENTS

ii) Defined benefit plan:

The Company earmarks liability towards unfunded Group Gratuity and provides for payment to vested employees as under:

a) On Normal retirement/ early retirement/ withdrawal/ resignation:

As per the provisions of Payment of Gratuity Act, 1972 with vesting period of 5 years of service.

b) On death in service:

As per the provisions of Payment of Gratuity Act, 1972 without any vesting period.

The most recent actuarial valuation of the present value of the defined benefit obligation for gratuity was carried out as at 31st March, 2018 by an independent actuary. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at 31st March, 2018.

		(₹ in Lakhs)	
Sr. No.	Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
I)	Reconciliation in present value of obligations (PVO) – defined benefit obligation :		
	Current Service Cost	109.03	85.30
	Interest Cost	42.66	37.05
	Actuarial (gain) / losses	25.93	39.54
	Past Service Cost (Vested benefits)	54.11	-
	Benefits paid	(29.11)	(12.82)
	PVO at the beginning of the year	652.16	503.09
	PVO at end of the year	854.77	652.16
II)	Change in fair value of plan assets		
	Expected return on plan assets	-	-
	Actuarial gain/(losses)	-	-
	Contributions by the employer	(29.11)	(12.82)
	Benefits paid	(29.11)	(12.82)
	Fair value of plan assets at beginning of the year	-	-
	Fair value of plan assets at end of the year	-	-
III)	Reconciliation of PVO and fair value of plan assets:		
	PVO at end of year	854.77	652.16
	Actuarial gain/(losses)	-	-
	Funded status	-	-
	Unrecognised actuarial gain/ (loss)	-	-
	Net asset/ (liability) recognised in the balance sheet	-	-
III)	Net cost for the year		
	Current Service cost	109.03	85.30
	Interest cost	42.66	37.05
	Expected return on plan assets	-	-
	Actuarial (gain) / losses	25.93	39.54
	Net cost	205.80	122.35
IV)	Assumption used in accounting for the gratuity plan:		
	Discount rate (%)	6.88%	6.69%
	Salary escalation rate (%)	7.00%	7.00%



INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.
NOTE - 3: NOTES TO THE FINANCIAL STATEMENTS

Discount rate:

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Salary Escalation Rate:

The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market

The amounts of the present value of the obligation and experience adjustment arising on plan liabilities are as below :

(₹ in Lakhs)

Particulars	As at Year Ended 31st March, 2018	As at Year Ended 31st March, 2017	As at Year Ended 31st March, 2016	As at Year Ended 31st March, 2015	As at Year Ended 31st March, 2014
Defined Benefit Obligation at end of the period	854.77	652.16	503.09	409.68	335.34
Plan assets at end of the period	-	-	-	-	-
Funded assets	-	-	-	-	-
Experience gain/loss adjustment on plan liabilities	32.08	7.49	1.04	(74.21)	(11.79)
Experience gain/loss adjustment on plan assets	-	-	-	-	-
Actuarial gain/(loss) due to change in assumption	(6.15)	32.04	19.62	(2.75)	(2.36)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	31st March, 2018		31st March, 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(45.89)	51.64	(40.84)	46.59
Future salary growth (1% movement)	45.44	(41.00)	39.80	(36.59)

3.34 Basic and Diluted Earnings per Share (EPS)

(₹ in Lakhs)

Particulars			For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Profit /(loss) after tax attributable to equity shareholders	Rs. in Lakhs	A	2,534.23	2,448.70
Number of equity shares at the beginning of the year	Nos.		2,50,000	2,50,000
Equity shares issued during the period	Nos.		-	-
Number of equity shares outstanding at the end of the year	Nos.		2,50,000	2,50,000
Weighted average number of equity shares outstanding during the year	Nos.	B	2,50,000	2,50,000
Basic and diluted earnings per equity share - Face value of Rs.10 per share	in Rs.	(A / B)	1,013.69	979.48

3.35 Disclosure As per Indian Accounting Standard (Ind AS 37) for provisions is as under:

Provision for anticipated sales return:

(₹ in Lakhs)

Particulars	As at Year Ended 31st March, 2018	As at Year Ended 31st March, 2017
Carrying amount at the beginning of the year	609.44	513.88
Add: Provision made during the year	39.23	95.56
Less: Amount used/utilized during the year	Nil	Nil
Carrying amount at the end of the year	648.68	609.44



INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.
NOTE - 3: NOTES TO THE FINANCIAL STATEMENTS

3.36 Segment Reporting

The Company is in the pharmaceutical business. As the Company has a single reportable segment, the segment wise disclosure requirements of Ind AS 108 on Operating Segment is not applicable. In compliance to the said standard, Entity-Wide disclosures are as under :

(₹ in Lakhs)

Sr. No.	Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
a)	Revenues from external customers attributed to the country of domicile and attributed to all foreign countries from which the company derives revenues		
	Revenue from the Country of Domicile- India	33,838.51	33,515.65
	Revenue from foreign countries	1,717.17	1,477.49
		35,555.68	34,993.14

- b) Revenue from one customer (including group entites, excluding taxes) is Rs. 7,791.88 lakhs 2017-18 (Rs. 9,714.05 lakhs 2016-17) which is more than 10% of the total revenue from India.

3.37 Dividend paid and proposed

Dividends on equity shares were declared and paid by the company during the year

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Dividend on Equity Shares (per share Rs. 100/-)	250.00	-
Dividend Distribution Tax	50.89	-
	300.89	-

After the reporting dates the following dividends (excluding dividend distribution tax) were proposed by the directors subject to the approval at the annual general meeting; the dividends have not been recognised as liabilities. Dividends would attract dividend distribution tax when declared or paid.

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Proposed Dividend on Equity Shares (per share Rs. 100/-)	400.00	250.00
Dividend Distribution Tax	82.22	50.89
	482.22	300.89



(Signature)

(Signature)

3.38 Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures for the year ended 31 March 2018.

List of related parties and their relationship

A. Key Managerial Personnel ("KMP")

Mr. Mritunjay Kumar Singh	Managing Director
Mr. Nagendra Kashyap	Director
Mr. Om Prakash Sharma	Director
Mr. Abhay Kumar Sinha	Director
Mr. Gautam Gulabchand Parekh	Independent Director
Mr. Akhouri Maheshwar Prasad	Independent Director

B. Relatives of Key Management Personnel ("KMP") with whom transactions have

Mr. Basudeo Narain Singh	Father of Mr. Mritunjay Kumar Singh
Mrs. Seema Singh	Wife of Mr. Mritunjay Kumar Singh
Miss Meghana Singh	Daughter of Mr. Mritunjay Kumar Singh
Master Shrey Shree Anant Singh	Son of Mr. Mritunjay Kumar Singh
Mr. Dhananjay Kumar Singh	Brother of Mr. Mritunjay Kumar Singh

C. Holding Company & Fellow Subsidiaries :

Name of the Company	Country of Incorporation
I. Holding Company: -	
Alkem Laboratories Ltd.	India
II. Fellow Subsidiaries: -	
Alkem Laboratories (NIG) Limited	Nigeria
Alkem Laboratories (PTY) Limited	South Africa
Alkem Pharma GmbH	Germany
Alkem Laboratories Corporation	Philippines
S & B Holdings B.V.	Netherlands
Pharmacor Pty Limited	Australia
The Pharma Network, LLC	United States of America
(Wholly owned Subsidiary of S&B Holdings B.V)	
Ascend Laboratories SDN BHD.	Malaysia
Ascend Laboratories SpA	Chile
Alkem Laboratories Korea Inc	Korea
Pharmacor Ltd.	Kenya
S & B Pharma Inc.	United States of America
The PharmaNetwork, LLP	Kazakhstan
Ascend Laboratories, LLC	United States of America
(Wholly owned by The Pharamanetwork, LLC)	
Ascend Laboratories (UK) Ltd.	United Kingdom
Pharma Network SpA (with effect from 27th March, 2018)	Chile
(Wholly owned by Ascend Laboratories SpA)	
Ascend Laboratories Ltd. (with effect from 7th September, 2017)	Canada
Alkem Foundation (with effect from 14th December, 2017)	India
Enzene Biosciences Ltd.	India
Cachet Pharmaceuticals Pvt. Ltd.	India

D. Others

Name of the Entity

Galpha Laboratories Ltd.	Others
Mrs. Madhurima Singh	Others
Miss Divya Singh	Others
Master Anirudh Singh	Others



INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.
NOTE - 3: NOTES TO THE FINANCIAL STATEMENTS

3.39 Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures for the year ended 31 March 2018 (Continued)

Details of Transactions with Related Parties

(₹ in Lakhs)

Sr. No.	Particulars	For the Year ended 31st March, 2018				
		Key Management Personnel	Relatives of Key Management Personnel	Holding Company	Other Entities	Total
		a	b	c	d	
1	Remuneration*	110.87 (103.08)	-	-	-	110.87 (103.08)
2	Sale of Finished Goods	-	-	8,488.85 (9,758.61)	151.02 (73.15)	8,639.87 (9,831.76)
3	Sale of Raw and Packing Materials	-	-	63.80 (27.00)	2.37	66.17 (27.00)
4	Purchase of Raw and Packing Materials	-	-	426.20 (378.12)	32.97	459.16 (378.12)
5	Services received	-	-	7.28 (3.75)	-	7.28 (3.75)
6	Services rendered	-	-	1,770.36 (619.53)	-	1,770.36 (664.97)
7	Rent Expenses	2.40 (2.40)	-	118.43 (113.52)	-	120.83 (115.92)
8	Dividend paid	16.50	-	127.50	106.00	250.00
9	Purchase of Assets	-	-	5.90 (5.05)	-	5.90 (5.05)
10	Sale of Assets	-	-	-	0.32	0.32
11	Reimbursement of expenses to	-	-	0.29 (1.29)	-	0.29 (1.29)
12	Reimbursement of expenses from	-	-	4.06 (28.04)	-	4.06 (28.04)

Figures in the brackets are the corresponding figures of the previous year.

* Based on the recommendation of Nomination and Remuneration Committee, all decisions relating to the remuneration of the directors are taken by the board of directors of the Company, in accordance with shareholder's approval, wherever necessary.

All the related party transactions were made on terms equivalent to those that prevail in an arm's length transactions.

Key management personnel compensation

Key management personnel compensation comprised the following :

(₹ in Lakhs)

Particulars	For the Year Ended	For the Year Ended
	31st March, 2018	31st March, 2017
Salaries and other employee benefits to whole-time directors	110.87	103.08
Fees and other benefits to independent directors	3.75	3.20
Short term employee benefits	0.72	0.95
Post-employment benefits	17.90	1.00



INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.
NOTE - 3: NOTES TO THE FINANCIAL STATEMENTS

3.40 Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures for the year ended 31 March 2018 (Continued)
Balance due from / to the related Parties

(₹ in Lakhs)

Sr. No.	Particulars	For the Year ended 31st March, 2018				
		Key Management Personnel	Relatives of Key Management Personnel	Holding Company	Other Entities	Total
		a	b	c	d	
1	Outstanding Receivables	-	-	2,327.88 (567.30)	198.91 (54.73)	2,526.78 (622.03)
2	Security Deposit Receivables	-	-	25.41 (25.41)	-	25.41 (25.41)

3.41 Payment to auditors (excluding Goods & Service Tax / Service Tax)

(₹ in Lakhs)

Particulars	As at Year Ended 31 March 2018	As at Year Ended 31 March 2017
As Auditor		
Audit fees	10.00	7.00
Tax audit fees	4.00	4.00
Taxation matters	-	-
In any other services such as certification, etc.	1.00	1.00
Reimbursement of out of pocket expenses	-	-
Total	15.00	12.00

3.42 The gross amount required to be spent on Corporate Social Responsibilities ("CSR") by the Company during the year is Rs. 64.42 Lakhs (Previous year : Rs. 65 Lakhs) The Company has spent Rs. 76.38 Lakhs (Previous Year : 65.00 Lakhs) towards CSR as per the approved CSR policy of the Company on healthcare, women empowerment, education, sanitation, conservation of environment, rural development.

Amount spent during the year on:

(₹ in Lakhs)

Particulars	In Cash	Yet to be paid in Cash	Total
I Construction/acquisition of any assets	-	-	-
II On purposes otherthan I above	76.38	-	76.38



INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.

NOTE - 3: NOTES TO THE FINANCIAL STATEMENTS

3.43 : Financial instruments – Fair values and risk management

A. Accounting classification and fair values

(₹ in Lakhs)

Particulars	As At 31st March 2018							
	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost	Total	Level1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	63.57	63.57	-	-	-	-
Other Bank Balances	-	-	5,608.23	5,608.23	-	-	-	-
Non-current investments	11.15	-	-	11.15	11.15	-	-	11.15
Current investments	168.51	-	-	168.51	168.51	-	-	168.51
Short-term loans and advances	-	-	37.27	37.27	-	-	-	-
Trade and other receivables	-	-	7,391.46	7,391.46	-	-	-	-
Other Non-current financial asset	-	-	5,696.18	5,696.18	-	-	-	-
Other Current financial asset	-	-	285.71	285.71	-	-	-	-
Total	179.66	-	19,082.41	19,262.08	179.66	-	-	179.66
Financial liabilities								
Short term borrowings	-	-	3,310.44	3,310.44	-	-	-	-
Trade and other payables	-	-	4,613.27	4,613.27	-	-	-	-
Other Non-Current financial liabilities	-	-	56.50	56.50	-	-	-	-
Other Current financial liabilities	-	-	1,901.15	1,901.15	-	-	-	-
Total	-	-	9,881.36	9,881.36	-	-	-	-

Particulars	As At 31st March 2017							
	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost	Total	Level1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	87.28	87.28	-	-	-	-
Other Bank Balances	-	-	4,960.15	4,960.15	-	-	-	-
Non-current investments	11.15	-	-	11.15	11.15	-	-	11.15
Current investments	144.57	-	-	144.57	144.57	-	-	144.57
Short-term loans and advances	-	-	41.08	41.08	-	-	-	-
Trade and other receivables	-	-	4,327.16	4,327.16	-	-	-	-
Other Non-current financial asset	-	-	7,201.17	7,201.17	-	-	-	-
Other Current financial asset	-	-	628.92	628.92	-	-	-	-
Total	155.72	-	17,245.75	17,401.47	155.72	-	-	155.72
Financial liabilities								
Short term borrowings	-	-	3,626.51	3,626.51	-	-	-	-
Trade and other payables	-	-	3,259.02	3,259.02	-	-	-	-
Other Non-Current financial liabilities	-	-	63.50	63.50	-	-	-	-
Other Current financial liabilities	-	-	1,797.91	1,797.91	-	-	-	-
Total	-	-	8,746.94	8,746.94	-	-	-	-

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.



INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.**NOTE - 3: NOTES TO THE FINANCIAL STATEMENTS****3.43 : Financial instruments – Fair values and risk management****i. Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

At 31 March 2018, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows:

(₹ in Lakhs)		
Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
India	7,379.23	4,257.57
Other regions	12.23	69.59
Total	7,391.46	4,327.16

At 31 March 2018, the Company had exposure to only one type of counter party.

At 31 March 2018, the Company had significant customer M/s. Alkem Laboratories Ltd. whose balance is more than 10% of the total receivables.

(₹ in Lakhs)		
Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
M/s. Alkem Laboratories Ltd.	2,327.88	567.30

Impairment

At March 31, 2018, the ageing of trade and other receivables that were not impaired was as follows:

(₹ in Lakhs)		
Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Neither past due nor impaired	5,599.20	1,647.88
Past due 1–180 days	1,623.35	1,632.12
Past due more than 180 days	168.91	-
Total	7,391.46	3,280.00

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

(₹ in Lakhs)		
Particulars	Individual impairments	Collective impairments
Balance as at 31 March 2016	67.37	80.12
Impairment loss recognised/Reversed	-	(9.29)
Amounts written off	-	-
Balance as at 31 March 2017	67.37	70.83
Impairment loss recognised/Reversed	(67.37)	113.56
Amounts written off	-	-
Balance as at 31 March 2018	-	184.39



ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(₹ in Lakhs)

31st March, 2018	Carrying Amount	Contractual cash flows					
		Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Working capital loans from banks	3,310.44	3,310.44	3,310.44	-	-	-	-
Trade and other payables	4,613.27	4,613.27	4,613.27	-	-	-	-
Total	7,923.71	7,923.71	7,923.71	-	-	-	-

31st March, 2017	Carrying Amount	Contractual cash flows					
		Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Working capital loans from banks	3,626.51	3,626.51	3,626.51	-	-	-	-
Trade and other payables	3,259.02	3,259.02	3,259.02	-	-	-	-
Total	6,885.53	6,885.53	6,885.53	-	-	-	-



INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.**NOTE - 3: NOTES TO THE FINANCIAL STATEMENTS****3.43 : Financial instruments – Fair values and risk management****iii. Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk. Thus, our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

(I). Currency risk

The Company is exposed to currency risk on account of other payables and receivables in foreign currency. The functional currency of the Company is Indian Rupee. The Company has exposure to **USD**. The Company has not hedged this foreign currency exposure.

(a). Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31 March, 2018 and 31 March, 2017 are as below:

Particulars	31st March, 2018 USD	31st March, 2017 USD
Financial assets		
Trade and other receivables	1,28,010.00	1,07,735.00
	1,28,010.00	1,07,735.00
Financial liabilities		
Trade and other payables	2,95,050.00	1,95,000.00
	2,95,050.00	1,95,000.00

The following significant exchange rates have been applied during the year.

Particulars	Average rate		Year-end spot rate	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
USD	-	-	65.04	64.84



INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.
NOTE - 3: NOTES TO THE FINANCIAL STATEMENTS
(b). Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against various foreign currencies at March 31 would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in INR	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March, 2018 10% movement USD	(10.86)	10.86	(7.07)	7.07
	(10.86)	10.86	(7.07)	7.07

Effect in INR	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March, 2017 10% movement USD	(5.66)	5.66	(3.70)	3.70
	(5.66)	5.66	(3.70)	3.70

(II). Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate

(a). Exposure to interest rate risk

Company's interest rate risk arises from borrowings and fixed income securities. Fixed income securities exposes the Company to fair value interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

Fixed-rate instruments

Financial assets
Financial liabilities

(₹ in Lakhs)	
Carrying amount in INR	
31st March, 2018	31st March, 2017
11,174.68	12,422.51
3,310.44	3,626.51
7,864.24	8,795.99

(b) Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.



INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.

NOTE - 3: NOTES TO THE FINANCIAL STATEMENTS

3.44 : Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio at March 31, 2018 was as follows.

	INR	
	As at 31st March, 2018	As at 31st March, 2017
Total Borrowings	3,310.44	3,626.51
Less : Cash and cash equivalent	63.57	87.28
Adjusted net debt	3,246.86	3,539.25
Total equity	21,108.28	18,891.61
Less : Hedging reserve	-	-
Adjusted equity	21,108.28	18,891.61
Adjusted net debt to adjusted equity ratio	0.15	0.19

As per our Report attached of even date,
For **R.S.SANGHAI & ASSOCIATES**
Chartered Accountants
FRN-109094W

R. S. Sanghai
Partner
M.No.36931
Place: Mumbai
Date: 16th May, 2018



For and on behalf of the Board of Directors of
INDCHEMIE HEALTH SPECIALITIES PVT. LTD.
CIN: U24230MH1986PTC039692

M. K. Singh
Managing Director
DIN : 000881412

Anand R.
Executive Director
DIN : 008106635